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SOL – FURTHER LOSS REDUCTION, REVENUES STABILIZED

Scandinavia Online's ("SOL" or "the Group") 3Q2001 revenues were SEK 32.6 million, a decrease of 11% compared to SEK 36.8 million in 2Q2001. Despite a contracting market for online advertising, SOL reduced its operating loss, excluding restructuring charges, from SEK 64.4 million in 2Q2001 to SEK 57.1 million in 3Q2001. Including restructuring charges of SEK 18.5 million, the Group's net loss in 3Q2001 was SEK 61.9 million. "We have cut our ongoing operating expenses from a peak of SEK 178.1 million in 4Q2000 to SEK 89.7 million in 3Q2001. Cost reduction efforts in our operations will continue in 4Q2001, but, more importantly, in 4Q2001 we see growth in revenues for the first time in 12 months", says Birger Steen, CEO. "This has lead us to revise our planned path to profitability: We now aim to deliver a positive EBITDA result in 4Q2002, one year earlier than originally planned".

The share of the Group's revenues originating from brick-and-mortar advertisers increased from 60% in 2Q2001 to 62% in 3Q2001. Also, the Group's share of revenues from other sources than display advertising grew from 23% of revenues in 2Q2001 to 36% in 3Q2001. The average number of monthly unique users visiting SOL's sites was 7.2 million in 3Q2001, 54% up from 3Q2000. The average number of daily page impressions served in 3Q2001 was 7.4 million, 56% up from 3Q2000.

Cost reduction efforts in the Group will continue in 4Q2001, in order to secure profitable operations by 4Q2002. SOL Denmark will reduce its number of employees from 40 to 21, and the reduction will entail a restructuring cost of SEK 8 million to be charged against 4Q2001 results. As a result of the reductions Danish operations are expected to generate a positive contribution margin towards covering the Group's central operations and product development costs as of 2Q2002.

"By reducing costs by more than 50% in the last three quarters, we have demonstrated the flexibility of our cost base. Going forward, we will continue focusing on growing our share of the Nordic advertising market and developing new revenues sources, but also, if need be, continue to cut costs", says Mr. Steen. "We are determined to reach a positive EBITDA result in 4Q2002. At the end of 3Q2001 SOL had SEK 412,7 million in cash and marketable securities, corresponding to SEK 9.07 per share. Hence, we remain confident that we will reach profitability without further funding", concludes Mr. Steen.

For further information, please contact:

Birger Steen (CEO), +46 709 35 28 18, birger.steen@scandinaviaonline.se
Anne Langbraaten (CFO), +47 2258 3988, annel@a.sol.no

Scandinavia Online is the leading Internet media company in the Nordic region. The online network has more than 8 million monthly unique users and includes the portals passagen.se, sol.no, sol.dk and suomi24.fi and the search engines evreka.com, evreka.fi, kvasir.no and kvasir.dk, as well as the consumer guide dinside.no. For the financial year 2000, total revenues amounted to SEK 221 million and as of September 30, 2001, the group had 188 employees. Scandinavia Online's shares are listed on the OM Stockholm Exchange (SCOL) and on the Oslo Stock Exchange (SCO).